

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name MUNISING TOWNSHIP	County ALGER
Audit Date 3-31-04	Opinion Date JUNE 30, 2004	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

YELLOW BOOK FINANCIAL STATEMENT			
Certified Public Accountant (Firm Name)			
Street Address 401 LUDINGTON ST.	City ESCANABA	State Mi.	ZIP 49829
Accountant Signature Schneider, Larche, Hoopala & P., PLLC			

TOWNSHIP OF MUNISING
Alger County, Michigan

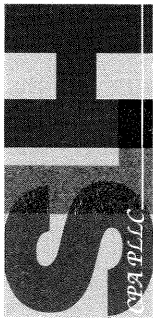
GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the year ended March 31, 2004

TOWNSHIP OF MUNISING
Alger County, Michigan

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*Schneider, Larche,
Haapala & Co., PLLC*

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

David P. Pechawer, C.P.A., P.C.
Denise M. Boyle, C.P.A., P.C.
Bruce D. Dewar, C.P.A.
Karen L. Meiers, C.P.A., P.C.

June 30, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Township of Munising
Alger County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Munising as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Munising's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Munising as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2004 on our consideration of the Township of Munising's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Munising. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.


Schneider, Larche, Haapala & Co., PLLC

TOWNSHIP OF MUNISING
Alger County, Michigan

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

EXHIBIT A

	<u>Governmental</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Account Group</u>	<u>Total</u> <u>(Memorandum</u>
	<u>General</u>	<u>Agency</u>	<u>General Long</u> <u>Term Debt</u>	<u>Only)</u>
<u>Assets</u>				
Cash	\$ 369,275	\$ 111,960	\$ -	\$ 481,235
Due from other funds	10,766	-	-	10,766
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>-</u>	<u>268,228</u>	<u>268,228</u>
TOTAL ASSETS	\$ <u>380,041</u>	\$ <u>111,960</u>	\$ <u>268,228</u>	\$ <u>760,229</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Notes payable less than a year	\$ -	\$ -	\$ 61,230	\$ 61,230
Notes payable more than a year	-	-	206,998	206,998
Accrued expense	6,853	-	-	6,853
Due to other funds	-	10,766	-	10,766
Due to other governmental units	<u>-</u>	<u>101,194</u>	<u>-</u>	<u>101,194</u>
TOTAL LIABILITIES	\$ <u>6,853</u>	\$ <u>111,960</u>	\$ <u>268,228</u>	\$ <u>387,041</u>
<u>Fund balances:</u>				
<u>Unreserved:</u>				
Designated for road improvements	\$ 59,576	\$ -	\$ -	\$ 59,576
Undesignated	<u>313,612</u>	<u>-</u>	<u>-</u>	<u>313,612</u>
TOTAL FUND BALANCES	\$ <u>373,188</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>373,188</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>380,041</u>	\$ <u>111,960</u>	\$ <u>268,228</u>	\$ <u>760,229</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MUNISING
Alger County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

For the year ended March 31, 2004

EXHIBIT B

	<u>Governmental Fund Type</u>
	<u>General Fund</u>
Revenues:	
Property taxes - general	\$ 51,846
- fire truck millage	74,910
Other taxes P.I.L.O.T.	40,507
State revenue sharing	193,086
Road improvement grant	12,306
Charges for services:	
Property tax administration	13,508
Interest	1,952
Rents	915
Landfill tonnage	14,805
Zoning	2,545
School contracts	5,494
Miscellaneous	2,066
Reimbursements	8,699
Local contributions	<u>5,000</u>
TOTAL REVENUES	\$ <u>427,639</u>
Expenditures:	
Legislative:	
Township board	\$ 58,339
General government:	
Supervisor	10,535
Elections	173
Assessor	22,328
Audit and legal	6,436
Clerk	11,914
Board of review	1,009
Treasurer	14,220
Building and grounds:	
Building and grounds	11,708
Debt service	49,764
Cemetery	513
Summer tax collection	5,467
Zoning	11,896

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MUNISING
Alger County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

For the year ended March 31, 2004

EXHIBIT B

	<u>Governmental Fund Types</u> <u>General Fund</u>
Expenditures (continued):	
Public safety:	
Fire protection:	
Fire protection	56,057
Debt service	79,095
Public works:	
Highways and streets	13,446
Street lighting	12,069
Recycling	955
Culture and recreation:	
Parks and recreation	52,923
Other:	
Social security	9,116
Schools	637
Miscellaneous	<u>1,224</u>
 TOTAL EXPENDITURES	 \$ <u>429,824</u>
 Net excess (deficiency) of revenues over expenditures	 (\$ 2,185)
 Fund balance, April 1	 <u>375,373</u>
 Fund balance, March 31	 \$ <u><u>373,188</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MUNISING
Alger County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the year ended March 31, 2004

EXHIBIT C

	<u>General Fund</u>		<u>Over</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
			<u>Budget</u>
Revenues:			
Property taxes - general	\$ 65,000	\$ 51,846	(\$ 13,154)
- fire truck millage	61,000	74,910	13,910
Other taxes P.I.L.O.T.	36,000	40,507	4,507
State grant	1,000	-	(1,000)
State revenue sharing	190,000	193,086	3,086
Road improvement grants	-	12,306	12,306
Charges for services:			
Property tax administration	-	13,508	13,508
Interest	2,000	1,952	(48)
Rents	500	915	415
Landfill tonnage	12,000	14,805	2,805
Zoning	2,000	2,545	545
School contracts	5,000	5,494	494
Miscellaneous	1,195	2,066	871
Reimbursements	1,000	8,699	7,699
Local contributions	<u>7,500</u>	<u>5,000</u>	(<u>2,500</u>)
TOTAL REVENUES	\$ 384,195	\$ 427,639	\$ 43,444
Expenditures:			
Legislative:			
Township board	\$ 75,800	\$ 58,339	(\$ 17,461)
General government:			
Supervisor	11,000	10,535	(465)
Elections	3,000	173	(2,827)
Assessor	25,000	22,328	(2,672)
Audit and legal	7,500	6,436	(1,064)
Clerk	13,000	11,914	(1,086)
Board of review	1,500	1,009	(491)
Treasurer	15,000	14,220	(780)
Building and grounds:			
Building and grounds	15,236	11,708	(3,528)
Debt service	49,764	49,764	-
Cemetery	1,500	513	(987)
Summer tax collection	10,000	5,467	(4,533)
Zoning	20,000	11,896	(8,104)

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MUNISING
Alger County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the year ended March 31, 2004

EXHIBIT C

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
Expenditures (Continued):			
Public safety:			
Fire protection:			
Fire protection	50,000	56,057	6,057
Debt service	60,000	79,095	19,095
Public works:			
Highways and streets	70,623	13,446	(57,177)
Street lighting	12,000	12,069	69
Sanitation	5,000	-	(5,000)
Recycling	1,000	955	(45)
Culture and recreation:			
Parks and recreation	120,000	52,923	(67,077)
Other:			
Capital outlay	20,000	-	(20,000)
Social security	8,000	9,116	1,116
School contracts	5,500	637	(4,863)
Miscellaneous	300	1,224	924
Reimbursements	<u>1,000</u>	<u>-</u>	(<u>1,000</u>)
TOTAL EXPENDITURES	\$ <u>601,723</u>	\$ <u>429,824</u>	(\$ <u>171,899</u>)
Excess (deficiency) of revenues over expenditures	(\$ 217,528)	(\$ 2,185)	\$ 215,343
Fund balance, April 1	\$ <u>375,373</u>	\$ <u>375,373</u>	\$ <u>-</u>
Fund balance, March 31	\$ <u><u>157,845</u></u>	\$ <u><u>373,188</u></u>	\$ <u><u>215,343</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14 "The Financial Reporting Entity," the general purpose financial statements contain all the funds and account groups that are controlled by or dependent on the Township's executive or legislative branches.

Basis of Presentation - The major focus of a governmental accounting and reporting system is to show adherence to applicable legal provisions and to determine fairly and with full disclosure the financial position and results of financial operations of each accounting entity within a governmental unit.

In accordance with the above criteria, the accounts of the Township of Munising are organized on the basis of individual funds or account groups, each of which is considered a separate accounting entity. Each fund is accounted for with a separate, self-balancing set of accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund categories and two generic fund types as follows:

Governmental Fund

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources and transactions not properly or legally accounted for in another of the Township's funds.

Fiduciary Funds:

Trust and Agency Funds - The Township's trust and agency funds are used to account for assets held by the Township as agent for other governmental units. The trust and agency funds maintained by the Township are as follows:

Agency Fund:
Current Tax Collection Fund

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Account Group:

In addition to the aforementioned funds, the Township also maintains a separate account group for the purpose of recording general long-term debt. These assets and liabilities are not considered specific fund assets and liabilities and are reported in these account groups to facilitate full disclosure of all of the Township's assets and liabilities consistent with their basis of accounting.

Measurement Focus/Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues and other financing sources and expenditures and other financial uses of net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual which is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due.

Revenues from local sources consist primarily of property taxes. Property taxes and revenues received from the State are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The Township 2003 tax roll millage rate was 2.3959 mills, and the taxable value was \$50,607,311.

Accumulated Unpaid Benefits - Employees are not allowed to accumulate vacation and sick pay and therefore, no accumulated amount has been shown in the General Long-Term Debt Group of Accounts in accordance with Governmental Accounting Standards Board's Statement No. 16 "Accounting for Compensated Absences."

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets - Purchases of fixed assets for all funds are recorded as expenditures in their respective funds at the time of purchase. The Township has not maintained the General Fixed Assets Group of Accounts which is required by generally accepted accounting principles.

Budgets and Budgetary Accounting - The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Memorandum Totals and Comparability - The total column of the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 2 - CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the changes in general long-term debt of the Township for the year ended March 31, 2004:

	Balance <u>04/01/03</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>03/31/04</u>
Note payable - building	\$ 199,669	\$ -	\$ 39,703	\$ 159,966
Note payable - USDA	<u>179,011</u>	<u>-</u>	<u>70,749</u>	<u>108,262</u>
TOTALS	\$ <u>378,680</u>	\$ <u>-</u>	\$ <u>110,452</u>	\$ <u>268,228</u>

Note Payable - Building

Payable in monthly installments of \$4,147.02, including interest at 5.54%, beginning October 23, 1997 through September 23, 2007.

Note Payable - USDA - Principal is paid annually, usually ranging from \$15,000 to \$26,000, interest is paid semi-annually at 4.75%. The loan matures on April 1, 2016. The Township pledges to levy ad valorem taxes each fiscal year which together with other funds available shall be sufficient to pay principal and interest on this note.

Total debt requirements for the notes payable to maturity are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
March 31, 2005	\$ 12,534	\$ 61,230	\$ 73,764
2006	9,213	64,551	73,764
2007	5,713	68,051	73,764
2008	1,781	49,026	50,807
2009	702	23,298	24,000
Thereafter	<u>8</u>	<u>2,072</u>	<u>2,080</u>
	\$ <u>29,951</u>	\$ <u>268,228</u>	\$ <u>298,179</u>

NOTE 3 - PENSION PLAN

The Township has a defined contribution pension plan covering substantially all full-time employees. Pension expense for the year was \$6,853. This amount is recorded as an accrued expense as of March 31, 2004.

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 4 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 5 - CASH DEPOSITS

Cash deposits are recorded at cost. All Township cash deposits are held in federally insured institutions located in the State of Michigan. During the past year, cash balances deposited have exceeded the maximum federally insured deposit levels.

Cash balances as of March 31, 2004 consisted of the following:

Non-interest bearing deposits	\$ 111,960
Interest bearing deposits	358,775
Interest bearing time deposits	<u>10,500</u>
	\$ <u>481,235</u>

Total uninsured and unsecured deposits as of March 31, 2004 amounted to \$371,697 based on actual institution balances of \$482,197.

NOTE 6 - DESIGNATED FUND BALANCE

The designated fund balance in the General Fund is designated for improvement of county roads in the township.

TOWNSHIP OF MUNISING
Alger County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE 7 - CONTINGENT LIABILITIES

The Township is currently defending itself in a wrongful death lawsuit. The outcome of the lawsuit is currently uncertain. Management believes current insurance coverage will be adequate to cover any losses.

NOTE 8 - BUDGET NONCOMPLIANCE

The Township has complied with the provisions of the Michigan Uniform Budgeting and Accounting Act (P.A. of 621 of 1978), with the exception of the following excesses of expenditures over budget:

Fire protection	\$ 6,057
Fire protection - debt service	19,095
Miscellaneous	924
Street lights	69
Social Security	1,116

SUPPLEMENTARY INFORMATION

TOWNSHIP OF MUNISING
Alger County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT

Year ended March 31, 2004

EXHIBIT D

Township board:

Salaries	\$ 7,052
Office Supplies	449
Printing and publishing	359
Insurance	24,298
Membership and dues	1,747
Retirement	6,853
Miscellaneous	<u>17,581</u>
	\$ <u>58,339</u>

Supervisor:

Salaries	\$ 9,600
Training	70
Transportation	160
Mileage	<u>705</u>
	\$ <u>10,535</u>

Elections:

Supplies	\$ <u>173</u>
	\$ <u>173</u>

Assessor:

Contracted services	\$ 20,000
Tax roll preparation	1,478
Transportation	50
Supplies	60
Miscellaneous	<u>740</u>
	\$ <u>22,328</u>

Audit and legal

\$ 6,436

Clerk:

Salary	\$ 9,600
Deputy	2,064
Supplies	171
Postage	<u>79</u>
	\$ <u>11,914</u>

TOWNSHIP OF MUNISING
Alger County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT

Year ended March 31, 2004

EXHIBIT D

Board of Review:

Wages	\$ 500
Miscellaneous	<u>509</u>
	\$ <u>1,009</u>

Treasurer:

Salary	\$ 9,600
Deputy	2,064
Supplies	184
Transportation	9
Postage	1,024
Tax roll	1,303
Miscellaneous	<u>36</u>
	\$ <u>14,220</u>

Building and grounds:

Wages	\$ 1,552
Operating supplies	226
Telephone	1,401
Travel	866
Utilities	427
Repairs	2,751
Contracted services	1,546
Miscellaneous	2,939
Loan payments:	
Principal	39,703
Interest	<u>10,061</u>
	\$ <u>61,472</u>

Cemetery:

Wages	\$ 424
Miscellaneous	<u>89</u>
	\$ <u>513</u>

Summer tax collection:

Wages	\$ 2,486
Tax roll preparation	1,647
Supplies	115
Postage	879
Miscellaneous	<u>340</u>
	\$ <u>5,467</u>

TOWNSHIP OF MUNISING
Alger County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT

Year ended March 31, 2004

EXHIBIT D

Culture and recreation:	
Wages	\$ 2,944
Parks and recreation	34,375
Travel	366
Utilities	259
Repair and maintenance	11,447
Miscellaneous	<u>3,532</u>
	\$ <u>52,923</u>
 Fire protection:	
Wages	\$ 34,483
Utilities	7,726
Office supplies	200
Operating supplies	2,683
Telephone and pagers	597
Repairs and maintenance	3,743
Miscellaneous	937
Capital outlay - equipment	5,688
Loan payments:	
Principal	70,749
Interest	<u>8,346</u>
	\$ <u>135,152</u>
 Zoning:	
Wages	\$ 9,945
Printing and publishing	457
Mileage	24
Miscellaneous	<u>1,470</u>
	\$ <u>11,896</u>
 Highways and streets	\$ <u>13,446</u>
Street lighting	\$ <u>12,069</u>
Recycling	\$ <u>955</u>
Schools	\$ <u>637</u>
Social security	\$ <u>9,116</u>
Miscellaneous	\$ <u>1,224</u>
	\$ <u><u>429,824</u></u>

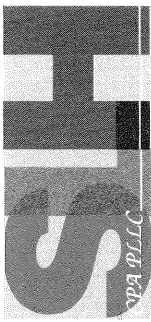
TOWNSHIP OF MUNISING
Alger County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended March 31, 2004

EXHIBIT E

	Balance <u>04/01/03</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>03/31/04</u>
<u>Assets</u>				
Cash in Bank	\$ <u>38,240</u>	\$ <u>1,419,112</u>	\$ <u>1,345,392</u>	\$ <u>111,960</u>
<u>Liabilities</u>				
Due to other funds	\$ 3,631	\$ 53,518	\$ 46,383	\$ 10,766
Due to other governmental units	<u>34,609</u>	<u>1,365,594</u>	<u>1,299,009</u>	<u>101,194</u>
 TOTAL LIABILITIES	 \$ <u>38,240</u>	 \$ <u>1,419,112</u>	 \$ <u>1,345,392</u>	 \$ <u>111,960</u>



*Schneider, Larche,
Haapala & Co., PLLC*

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

David P. Pechawer, C.P.A., P.C.

Denise M. Boyle, C.P.A., P.C.

Bruce D. Dewar, C.P.A.

Karen L. Meiers, C.P.A., P.C.

June 30, 2004

Township Board
Township of Munising
Alger County, Michigan

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Township of Munising as of and for the year ended March 31, 2004, and have issued our report thereon dated June 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township of Munising's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Munising's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.



This report is intended solely for the information and use of the Township of Munising's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schneider, Larche, Haapala & Co., PLLC
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